



## CITY COUNCIL STAFF REPORT

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**TO:** City Council

**DATE:** October 14, 2025

**DEPARTMENT:** Economic Development Department

**PREPARED BY:** Lacy Sallas, Grants Coordinator

**PRESENTER:** Lacy Sallas, Grants Coordinator

**AGENDA TITLE:** RECEIVE A REPORT, HOLD A PUBLIC HEARING, AND CONSIDER ADOPTION OF A RESOLUTION ADOPTING PROGRAM GUIDELINES FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) UTILITY BILL ASSISTANCE PROGRAM (UBAP)

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### RECOMMENDATION

Adopt a Resolution Adopting Program Guidelines for the Community Development Block Grant (CDBG) Utility Bill Assistance Program (UBAP)

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### BACKGROUND

The City of Fort Bragg applied for funds to operate a Utility Bill Assistance Program (UBAP) from the 2024 funding year of the Community Development Block Grant (CDBG) program. The City has been awarded \$300,000 to fund the UBAP, including subsistence payments directly to utility providers on behalf of qualified households, staff expenses to operate the UBAP, and staff expenses for the general administration of the CDBG program. A Standard Agreement was executed between the City and HCD on August 13, 2025 and expires August 12, 2028. The contract expenditure period runs from August 13, 2025 to May 12, 2028. Closeout of the award will take place between May 13, 2028 and August 12, 2028, or sooner, should funds be exhausted. The UBAP is expected to kick off in October 2025 and run through April 2028 or until all funds are expended, whichever happens first. Prior to program initiation, the City Council must adopt Program Guidelines, which govern program operation. Consistent with CDGB requirements, a public hearing will be held to solicit input from the public regarding the proposed activities prior to approval of the Program Guidelines.

### DISCUSSION AND ANALYSIS

The UBAP is a subsistence program providing emergency financial assistance, which is an eligible CDBG Public Services Activity. This activity meets the Low/Moderate Limited Clientele (LMC) National Objective: benefits are provided to a specific group of eligible persons rather than every person in a defined service area. The City operated a UBAP from June 2021 through June 2023, utilizing CDBG-CV1 and CDBG-CV2-3 (COVID-19-

related) funds. This program provided assistance to low-moderate-income households within City limits that were financially impacted by COVID-19. Prior to this, from 2015-2017, the City operated a similar program, the HELP H2O program which assisted with Water/Sewer bills. The updated UBAP Program Guidelines (PGs) combine elements of both programs. Historically, there have been issues expending funds with the programs as originally designed (both programs underwent PG revision), so this iteration attempts to combine elements that make the program accessible, efficient, and equitable. Complete Program Guidelines are included herein as Attachment 2. Following is a brief overview of the main points of the program:

Program Overview: The UBAP will provide emergency financial assistance to qualifying households within City limits by making subsistence payments directly to utility providers on behalf of the qualifying households.

Eligible Utility Services:

- Water/Sewer Services
- Electricity Services
- Waste Collection
- Propane, Kerosene, Diesel, etc. (when such fuel is required for operation of household heating or food preparation)

Eligible Households:

- Primary residence is within City limits
- Experiencing financial emergency
- Income is 80% or lower than the Area Median Income for Mendocino County per current CDBG Income Limits
- Utility is not currently shut off

Amount and Frequency of Assistance:

- Up to \$800 total
- May cover up to three consecutive months to help residents get back on track following financial emergency (subject to the overall \$800 limit)
- Program participants may reapply if at least twelve months have passed since receiving assistance (subject to requalification)

Following adoption of the Program Guidelines by City Council resolution and CDBG staff approval to expend program funds, program staff will initiate the Marketing Plan (Attachment 3), to inform the public and local organizations of the availability of the program.

#### **FISCAL IMPACT/FUNDING SOURCE**

The UBAP will be fully funded through the CDBG award 24-CDBG-10009. Expenditures will be reported to and reimbursed by HCD quarterly.

#### **ENVIRONMENTAL ANALYSIS:**

Environmental impacts will be negligible. While the program may direct a small amount of funding toward the use of fossil fuels, these funds are only expended to support low-income households for whom this may be their only source of heat.

The program activity is considered Categorically Excluded from National Environmental Protection Act (NEPA) review Not Subject To 58.5 per 24 CFP 58.35(b)(2) and is exempt from California Environmental Quality Act pursuant to the common sense exemption 15061(b)(3). It can be seen with certainty that this program will not have a significant impact on the environment.

General Administration is considered Exempt from NEPA review per 24 CFR 58.34(a)(3).

#### **STRATEGIC PLAN/COUNCIL PRIORITIES/GENERAL PLAN CONSISTENCY**

The State CDBG mission is to improve the lives of low- and moderate-income residents through the creation and expansion of community and economic development opportunities, which supports livable communities for all residents. This mission is consistent with Fort Bragg City Council Priority Areas.

The UBAP supports the *2019 Housing Element Goal H-2: Expand affordable housing opportunities for persons with special housing needs such as the elderly, the disabled, households with very low to moderate incomes, and first time home buyers*. Providing financial assistance to very low-moderate income households supports affordable housing indirectly by directing assistance to utilities, which may in turn help those households direct their limited funds toward housing.

The UBAP supports the *Strategic Plan 2024-2028+ Goal 5: Fund our Future with Financial and Fiscal Responsibility; 5B. Identify strategic partnerships to share investments and costs through a variety of models*. Utilizing CDBG funds allows the City to provide the otherwise unavailable public service to low-moderate income residents.

#### **COMMUNITY OUTREACH**

This activity was selected for inclusion in the City's application for funding from the 2024 funding year of the CDBG program following duly noticed public hearings on July 8, 2024 and October 15, 2024.

Public input is solicited regarding the proposed program guidelines at today's public hearing, which was also duly noticed.

**ALTERNATIVES:**

1. Amend the Program Guidelines prior to adoption.

**ATTACHMENTS:**

1. Resolution
2. Program Guidelines
3. Marketing Plan
4. Public Hearing Notices

**NOTIFICATION:**

CDBG Activities "Notify Me" subscriber list